

NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

PURPOSE OF THE PROGRAM

The NDSTF was a public enterprise (revolving) fund that financed, out of receipts from disposal sales of excess stockpile materials, the acquisition, transportation, and other costs incidental to acquisition of strategic and critical materials and management of the National Defense Stockpile. Monies from the sale of stockpile items being rotated were also covered into the fund, and were available for acquisition of replacement materials. The function was transferred to the Department of Defense, effective July 3, 1988.

AUTHORITY FOR THE PROGRAM

The National Defense Stockpile Transaction Fund was established by the Strategic and Critical Materials Stock Piling Act of July 30, 1979 (P.L. 96-41), as amended by the Omnibus Budget Reconciliation Act of 1981 (P.L. 97-35), approved August 13, 1981.

HISTORY OF THE PROGRAM

In the original Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 et seq.) of June 7, 1939 (substantially amended to its present form in 1946), the only significant provision dealing with stockpile funding was section 9, directing that funds resulting from sales or other dispositions of materials ("except funds received on account of rotation of stocks") be covered into the Treasury as miscellaneous receipts. Individual appropriation acts for the General Services Administration had rider provisions authorizing use of excess materials as payment for services to the stockpile, such as acquiring and upgrading materials. Congress retained the general right to authorize stockpile disposals, but acquisitions were left to the broad discretion of the President, who acted through delegated appointee organizations, chiefly the General Services Administration (GSA). GSA stockpile acquisitions and operations were funded by annual appropriations. The control by Congress of the stockpile was through its appropriations and authorization of disposals, the latter being a negative type of control to prevent disrupting markets and to protect industry.

Earlier acquisitions for the stockpile substantially ended about July 1, 1958, and stockpile activity became mainly disposal of excess materials, largely resulting from holding stockpile materials for a three-year emergency instead of a five-year emergency. Reducing the period from five to three years resulted in requirements for lower stockpile material amounts and created excess materials for disposal. Disposal of the excess usually required Congressional consent. Releases by the President acting alone had to be for the national (or common) defense, and in 1965 copper was so released by President Lyndon Johnson in a situation of supply disruption and price escalation found to be related to the common defense. Some of the disposal authorizations were thought to be related more realistically to aiding industry, so that the stockpile tended to be more for economic purposes than originally legislated.

An interagency study of the stockpile in 1970 through 1973, under the authority of President Nixon and the National Security Council, resulted in a further change of stockpile objectives from those for a three-year emergency to a one-year emergency. Stockpile objectives were reduced from a total of \$4.8 billion to \$700 million. This resulted in the submission to Congress of a proposed omnibus disposal bill in April 1973, further justified on the basis that it would reduce inflation in the economy as well as reduce the budget deficit. Objections were raised to Congress by those who disagreed, so that this omnibus disposal bill never became law. However, six privately introduced bills were signed into law in December 1973. After that, no disposals were authorized until the 96th Congress, and the President concurred upon the disposal of tin and diamonds in P.L. 96-175 on December 29, 1979. Until July 30, 1979, the Office of Stockpile Disposal continued to dispose of excesses previously authorized, the proceeds continuing to go into the Treasury as miscellaneous receipts.

Use of stockpile sales to reduce inflation and budget deficits motivated Congress to take more control of the stockpile. Congressman Charles E. Bennett of the House Armed Services Committee introduced H.R. 10526, dated November 4, 1975, which would have amended the SCM Act by creating a "Strategic and Critical Materials Procurement Fund" to receive proceeds of disposal sales to be used only for procurements for the stockpile. The bill also authorized additional appropriations for acquisitions and these funds would be available until expended. GSA opposed creating the stockpile fund, and continued to do so as administration policy.

Concurrently in 1975, three bills were introduced that conceived of a stockpile serving economic as well as defense purposes. H.R. 9597 of September 15, 1975, and S. 1869 of June 4, 1975, would have amended the Defense Production Act of 1950. Another, S. 2767, dated December 10, 1975, would have postponed for one year further disposals of authorized excesses, in order to preserve available defense resources. The General Accounting Office on March 11, 1975, recommended a restudy of stockpile objectives in a report to the House Armed Services Committee.

On October 1, 1976, the President, through GSA's Federal Preparedness Agency, (now the independent Federal Emergency Management Agency (FEMA)), published a new set of stockpile goals which reestablished a threeyear emergency period for stockpiling. Meeting the goals would require acquisitions and new funding. To implement them, the 95th and 96th Congress proceeded with legislation to amend the SCM Act to correct alleged policy direction abuses, to define its purposes and policies more clearly, to increase congressional control, and to provide funding for new materials to meet stockpile goals.

One legislative attempt was to require that the quantities of materials to be stockpiled be related to the degree of the country's import dependence on each material, a proposal conforming to concepts of the American Mining Congress. The bill also had many provisions on funding the stockpile, including establishing a "Strategic and Critical Materials Procurement Fund", into which stockpile sales proceeds would be channeled; this expressed the same concept and terminology as Congressman Bennett's earlier bill, H.R. 10526. Mr. Bennett then introduced H.R. 175 and H.R., 2959 and Senator Lawton Chiles introduced S. 1198, to amend the SCM Act to include a standard provision about the "Strategic and Critical Materials Procurement Fund". GSA opposed the creation of this fund consistent with Administration policy. None of this legislation or companion bills became law.

In the 96th Congress, SCM Act amendments were reintroduced in the House by Mr. Bennett as H.R. 2154, and in the Senate by Senator Hart as S. 2575. This time, the provision for the revolving fund named it the "National Defense Stockpile Transaction Fund" (NDST), but the substantive provisions remained almost the same. An important difference between House and Senate versions, however, was the Senate requirement that money from sales unappropriated after three years would revert to Treasury's miscellaneous receipts, rather than Mr. Bennett's House version, that the money would remain in the Transaction Fund until expended. The Senate provision was adopted and, on July 30, 1979, H.R. 2154 became the Strategic and Critical Materials Stock Piling Act of 1979.

This law also provided for a single National Defense Stockpile, and the transfer to it of materials from various stockpiles then in existence, required that all stockpile acquisitions and disposals be authorized by law, and required that materials stockpiled be sufficient to sustain the nation through a national emergency of not less than three years duration. It also authorizes the President to rotate materials to prevent deterioration, and to replace them with an equivalent quantity of substantially the same material; proceeds are covered into the Fund and may be used for replacement acquisitions without further action by the Congress. The General Accounting Office held that the proceeds, referred to as rotation receipts, constitute a permanent,

indefinite appropriation. At present, the Treasury symbol for these rotation receipts is 47X5245.

Proceeds from materials which are disposed of as excess, or which might cause a loss to the Government if allowed to deteriorate, or which are authorized for disposal by law, are covered into the NDST Fund. The funds may be used for acquisition, transportation, and other costs incidental to acquisition of strategic and critical materials, as determined by the President. Under the Act, however, funds had to be appropriated by Congress before acquisition and, if not appropriated, would be transferred to miscellaneous receipts of the Treasury at the end of the third fiscal year after receipt. If appropriated, the funds were available for a period of five fiscal years.

Later, the Omnibus Budget Reconciliation Act of 1981, P.L. 97-35, amended the 1979 act to provide that moneys remain in the fund until appropriated and, when appropriated, remain available until expended, unless otherwise provided for in appropriation acts. It also established a maximum NDST Fund balance of \$1,000,000,000 until September 30, 1983, when the maximum balance would be reduced to \$500,000,000.

Mr. Bennett's original proposal, that proceeds covered into the fund remain available until expended, was finally enacted into law by section 110 of P.L. 97-377, the FY 1983 continuing resolution. It amended the Strategic and Critical Materials Stockpiling Act of 1979 by changing the NDST Fund from a special fund, composed of receipts from sales of stockpiled materials that are available for expenditure subject to appropriation, to a revolving fund with a fiscal year 1983 obligation limitation of \$120 million. The Department of Treasury's Counsel advised that the language in section 110 and accompanying Congressional reports permanently and indefinitely appropriates all the moneys covered into the Fund on or after October 1, 1982, limited only by such restrictions as may be imposed in Appropriation Acts and section 5(a)(1) of the Stockpile Act. Although this interpretation was not supported by OMB, Treasury issued an announcement of Account Symbol and Title, classifying the fund as a revolving fund, 47X4550.

Since 1983, the NDSTF operated as a full revolving fund, intended to facilitate a balanced program of sales and acquisitions. Acquisition levels are directly related to projected receipts. Although new annual appropriations were no longer provided, Congress annually enacted new obligational authority for planned acquisitions, essentially a limitation on the use of revenue.

In a further development, Title IX, section 905 of the Department of Defense Authorization Act for 1985, Pub. L. 98-525, provided that certain funds accruing to the U.S. from lands in the Naval Petroleum and Oil Shale Reserves be deposited in the NDSTF. The 1986 DOD Act carried a similar provision. These additional receipts were \$297.4 million in 1985 and 179.7 million in 1986.

In this same timeframe, however, the Administration began a reevaluation of stockpile goals, and procurement of new materials was essentially suspended: only \$9.3 million was obligated in 1985, and no procurements were budgeted for 1986. After review, the Administration determined that goals for many commodities actually could be reduced well below current stocks, and that an aggressive program should be undertaken to dispose of the excess stocks. Pub. L. 99-145, however, prohibited stockpile goal changes until October 1, 1986, leaving intact the disposal goals established as of October 1, 1984. Pub. L. 99-198 also directed that the Commodity Credit Corporation barter agricultural surpluses for strategic and critical materials for the Stockpile. Legislative proposals to expand sales receipts to \$250 million, and to transfer receipts to the Treasury to offset the deficit, never materialized.

In 1986, Congress also directly appropriated an additional \$20 million to the NDSTF, not for stockpile procurements, but for two \$10 million grants. One was to construct a strategic materials research facility at the University of Massachusetts at Amherst, and the other to construct Phase II of the Mines Building at the Mackay School of Mines, University of Nevada Reno. A sequester under the Balanced Budget and Emergency Deficit Control Act of 1985 subsequently reduced the amounts to \$9,510,000 each.

Congress also added further grants in 1987. \$5,000 each was appropriated to the University of Massachusetts at Amherst and the University of Nevada at Reno for construction of strategic materials research facilities. In 1988, the grants grew to \$19 million: \$5 million additional for construction of the facility at the University of Massachusetts at Amherst; \$5 million for construction of a strategic materials research facility at the University of Hawaii at Manoa; \$4 million for construction and equipment for a Center for Biomedical Polymers at the University of Utah; \$4 million for construction and equipment for a Center for Advanced Studies for Copper Recovery and Utilization at the University of Arizona; and \$1 million to the University of New Mexico to study replacements for metallic alloys.

Also in 1988, language and obligational authority were provided to begin using amounts in the Fund to pay for costs of operating and managing the Stockpile, subject to limitations in appropriations acts. These costs were previously funded under Operating Expenses, FPRS.

On February 5, 1988, Executive Order 12626 designated the Secretary of Defense as the National Defense Stockpile Manager, and delegated associated responsibilities to him. Accordingly, all FPRS Stockpile activities and accounts were transferred to the Department of Defense, effective July 3, 1988.

DESCRIPTION OF CURRENT BUDGETARY ACTIVITIES

This program was divided into the following budget activities:

1. Stockpile Management - This activity manages the National Defense Stockpile of strategic and critical materials. It includes costs for receiving, storing, inspecting, shipping, and maintaining the materials in storage locations. Its responsibilities include rotating, upgrading and processing of stockpile materials and oversight of the William Langer Jewel Bearing Plant. The Office of Stockpile Management is divided into six subactivities:
 - a. Storage and handling of materials - provides for storage and handling of National Defense Stockpile materials, depot storage operations, and inspection and stockpile management services relative to maintaining the national defense stockpile. These stockpile materials are stored in 112 locations. The program estimate also provides for operating GSA depots and reimbursement to the Department of Defense for stockpile operations at military facilities, protective coverings for ore piles and repackaging of materials in long-term containers to preserve the value of materials in stockpile, as well as storage costs.
 - b. Quality Control - is responsible for qualitative maintenance of materials in storage, inventory verification, and inspection of materials prior to outshipment under the disposal program. It assures that contract provisions are met against field operations service contracts and commodity purchase contracts for all materials acquired through the National Defense Stockpile Transaction Fund.
 - c. Contract Operations - contracts and provides contract administration for the procurement of services and operating supplies required for stockpile operation, disposal, rotation, upgrading, processing, and refining of strategic and critical materials as directed. Manages the stockpile's occupational health and safety program and environmental protection activities. Manages and provides for the operation of the William Langer Jewel Bearing Plant. Provides for the contracting and contract administration phase of the Machine Tool Trigger Order Program.

This activity also develops and implements plans and programs to acquire and dispose of stockpile materials and conduct the buying and selling of materials and commodities for restructuring the National Defense Stockpile. Entailed in this activity are contract execution, program reporting and accountability, and the preparation of market, technical and economic analysis to support material transactions. This activity also provides for purchases jewel bearings for the stockpile.

Disposals and acquisitions are monitored and managed via the National Defense Stockpile Transaction Fund, into which receipts for stockpile sales are covered. Stockpile restructuring will be accomplished primarily via disposals and acquisitions conducted through formal advertising and competitive negotiation procedures. Other activities include upgrading and barter, exchange programs, as well as transfers of stockpile materials that are excess to the needs of other Federal agencies. The Strategic and Critical Materials Stock Piling Act of 1979 (P.L. 96-41) ensures that the strategic stockpile will be used for national defense purposes only. The annual materials planning program determines acquisition and disposal goals. The Annual Materials Plan and governing stockpile policy guidance serve as the mechanism to implement the Government's interagency annual review of proposed strategic stockpile actions.

d. Data Collection and Economic Analysis - of all factors bearing on the acquisition and disposal of National Defense Stockpile materials. Technical, economic, and marketing data is collected and analyzed for technical and economic factors (such as supply, demand, consumption, price, specifications and quality) bearing on National Defense Stockpile materials. On the basis of these analyses, management formulates policy for acquisition and disposal programs and makes decisions on day-to-day implementation of stockpile restructuring programs.

e. Planning - for the acquisition of National Defense Stockpile materials and assessing the response of producers and commodity markets to Government entry into markets to acquire materials. This activity is essential to ensure that due regard be given to the protection of producers', consumers', and processors' markets and to the protection of the United States against avoidable loss. In addition, professional engineering and economic assistance is provided as needed to other activities of GSA engaged in the actual acquisition of materials by purchase, exchange or upgrading and the rotation and storage of materials.

f. Disposals - of National Defense Stockpile excess materials. This is a continuing operation and for a number of years has been a sizeable marketing operation producing significant revenues. The benefits from disposals are many and varied: (1) removal of excess materials from Government inventories thus converting Government assets into cash in the United States Treasury; (2) recovery of the Government's investment in the materials; (3) the reduction of dollar outflow and improvements of the overall balance of payments position of the United States; (4) removal of the stocks of Government inventories eliminating any depressant effect which the stocks may have on certain segments of the economy while at the same time placing needed stocks in the hands of industry to permit continued growth in the economy; and (5) reduction in protection and maintenance costs.

DEVELOPMENT OF CURRENT APPROPRIATION LANGUAGE

Initial appropriation language was contained in the 1981 Treasury, Postal Service, and General Government Appropriations Bills of the House and Senate, and was enacted through continuing resolution. It is shown below, as modified in 1982:

"For acquisition of strategic and critical materials and for transportation related to such acquisitions, \$_____ which shall be derived from moneys received in the National Defense Stockpile Transaction Fund established by section 9 of the Strategic and Critical Materials Stock Piling Act (50 U.S.C.98h), and shall remain available until fiscal year 1986."

When the Fund became a full revolving Fund in 1983, language was changed to the following:

"LIMITATION ON AVAILABILITY OF FUNDS

During the fiscal year ending September 30, _____, not more than \$_____, in addition to amounts previously appropriated, may be obligated from amounts in the National Defense Stockpile Transaction Fund for the acquisition of strategic and critical materials under section 6(a)(1) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(a)(1)) and for transportation and other incidental expenses related to such acquisition."

In 1986, two special purpose appropriations were made:

"NATIONAL DEFENSE STOCKPILE TRANSACTION FUND

For the year ending September 30, 1986, in addition to the funds previously appropriated for the National Defense Stockpile Transaction Fund, pursuant to 50 U.S.C. 98a and g(a)(2)(c) and 50 U.S.C. 100(a), notwithstanding the provisions of 50 U.S.C. 98h, an additional \$10,000,000 is appropriated, to remain available until expended, for a grant to construct a strategic materials research facility at the University of Massachusetts at Amherst."

"For the year ending September 30, 1986, in addition to the funds previously appropriated for the National Defense Stockpile Transaction Fund, pursuant to 50 U.S.C. 98a and g(a)(2)(c) and 50 U.S.C. 100(a), notwithstanding the provisions of 50 U.S.C. 98h, an additional \$10,000,000 is appropriated, to remain available until expended, for a grant to construct Phase II of the Mines Building at the Mackay School of Mines, University of Nevada Reno, relocate the Generic Center on the Recycling of Strategic Metals and establish the Policy Center on Strategic Materials, including such equipment as the school deems necessary to the conduct of its activities."

1987 appropriations language:

"For the year ending September 30, 1987, in addition to the funds previously appropriated for the National Defense Stockpile Transaction Fund, pursuant to 50 U.S.C. 98a and g(a), (2)(c), and 50 U.S.C. 100(a), notwithstanding the provisions of 50 U.S.C. 98h, an additional \$5,000,000 is appropriated, to be available until expended, for a grant for construction of a strategic materials research facility at the University of Massachusetts at Amherst. For the year ending September 30, 1987, in addition to the funds previously appropriated for the National Defense Stockpile Transaction Fund, pursuant to 50 U.S.C. 98a and g(a), (2)(c), and 50 U.S.C. 100(a), notwithstanding the provisions of 50 U.S.C. 98h, an additional \$5,000,000 is appropriated, to be available until expended, for a grant for construction of a strategic materials research facility at the University of Nevada at Reno. Notwithstanding any other provision of law, funds previously made available to the fund before January 1, 1985, may be used for evaluating, testing, relocating, and upgrading stockpile materials to meet current stockpile goals and specifications."

1988 appropriations language:

"Section 1. During the fiscal year ending September 30, 1988, not to exceed \$35,000,000, in addition to amounts previously appropriated, all to remain available until expended, may be obligated from amounts in the National Defense Stockpile Transaction Fund, for the acquisition and upgrading of strategic and critical materials under section 6(a)(1) and (3) of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98e(a)(1) and (3)), transportation, storage, and other incidental expenses related to such acquisition and upgrades, development of current specifications of stockpile materials and the upgrading of existing stockpile materials to meet current specifications (including transportation, when economical, related to such upgrading), testing and quality studies of stockpile materials, studying future material and mobilization requirements for the stockpile and other reasonable requirements for management of the stockpile, including relocation, operating, and management expenses incident to operating the stockpile, are hereby authorized to the extent provided in Appropriations Acts.

Section 2. For the fiscal year ending September 30, 1988, in addition to the funds previously appropriated for the National Defense Stockpile Transaction Fund, notwithstanding the provisions of 50 U.S.C. 98h, there are hereby appropriated \$10,000,000 under this heading and \$9,000,000 in section 101(b) of this joint resolution, to remain available until expended, the amounts to be allocated for the following projects:

University of Hawaii at Manoa pursuant to 50 U.S.C. 98a and 98g(a), for a grant for construction of a strategic materials research facility, \$5,000,000;
University of Utah pursuant to 50 U.S.C. 98a and 98(g)(a)(2)(C) for a grant to pay the Federal share of the cost of construction and equipment for a Center for Biomedical Polymers, \$4,000,000;
University of Massachusetts at Amherst pursuant to 50 U.S.C. 98a and 98g(a), for a grant for continued construction of a strategic materials research facility, \$5,000,000;
University of Arizona pursuant to 50 U.S.C. 98a and 98(g)(a)(2)(C) for a grant to pay the Federal share of the cost of construction and equipment for a Center for Advanced Studies for Copper Recovery and Utilization, \$4,000,000; and
University of New Mexico pursuant to 50 U.S.C. 98 a and g for a grant to study replacements for metallic alloys that use critical materials, \$1,000,000."

BUDGETARY HISTORY OF APPROPRIATIONS
\$(Thousands)

Fiscal -- Year	Request to OMB	President's Allowance	House Bill	Senate Bill	-----Appropriations Enacted----- Amount	P.L.	Date
1981	\$169,900	\$100,000	\$100,000	\$50,000	Cum. Continuing Resolutions: 1/ - 96-369 \$72,000 96-536 100,000 97-12		10/1/80 12/16/80 6/5/81
Perm Auth*	-	-	-	-	391	-	-
1982	908,900	105,600 2/	100,000	60,000	Cum. Continuing Resolutions: 3/ 14,000 97-51 20,700 97-85 57,600 97-92 57,600 97-161		10/1/81 11/23/81 12/15/81 3/31/82
Perm Auth*	-	-	-	-	285 4/	-	-
1983	862,400	120,000	120,000	120,000	120,000 4/	97-276	10/2/83
1984	120,000 4/	120,000	120,000	120,000	120,000 4/	98-151	11/14/84
1985	120,000 4/	--	--	--	--	--	--
1986	300,000	--	--	--	--	--	--
Sequester	--	--	10,000	10,000	20,000 5/	99-190	12/19/85
	--	--	--	--	-980 6/		
1987	--	--	5,000	5,000	10,000 5/	99-591	10/30/86
1988 NOA	5,000	31,080	31,000 7/	31,080	30,000	100-202	12/22/87
APPN	--	--	10,000	13,000	19,000 8/	100-202	12/22/87

* Rotation receipts that did not have to be appropriated by the Congress (permanent authority).

NOTE: This function and supporting accounts was transferred to the Department of Defense, effective 7/3/88.

1/
P.L. 96-369 and 96-536 provided authority through 12/15/80 and 6/5/81, respectively. The latter stipulated availability at the House level, when only the House had passed a bill. The 1981 Supplemental Appropriations Act (P.L. 97-12) extended resolution authority through 9/30/81.

2/

President revised his original allowance of \$120,000 thousand revised downward.

3/

Four continuing resolutions provided authority through, respectively, 11/23/81, 12/15/81, 3/31/82, and 9/30/82. By terms of the last resolution, annual availability realized is the lower of House or Senate amounts, further reduced by 4%.

4/

New obligational authority limitation under revolving fund; not budget authority/appropriation.

5/

New appropriation to the fund for specific grants.

6/

Permanently cancelled budget authority pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985, P.L. 99-177 (Gramm-Rudman-Hollings).

7/

House proposed new appropriation to OE, FPRS rather than reimbursement from NDSTF NOA. NOA was enacted.

8/

\$10M in grants under the NDSTF heading, and \$9M in grants under DOD headings.

FUNDS AVAILABLE, OBLIGATIONS, AND OUTLAYS
\$(Thousands)

<u>Fiscal Year</u>	<u>Unappropriated Balance, Start of Year</u>	<u>Receipts</u>	<u>Total Available for Appropriation</u>	<u>Appropriations</u>	<u>1/ Other Available</u>	<u>Total Available</u>	<u>Obligations During Year</u>	<u>Outlays</u>
1981	94,255	99,243	193,498	100,391 <u>2/</u>	--	100,391	\$ 78,000	-
1982	93,107	160,975	254,082	57,885 <u>3/</u>	22,391	80,276	44,045	112,644
1983	196,200	53,200	249,400	120,000 <u>4/</u>	36,326 <u>5/</u>	156,326	145,015	-232,023
1984	129,431	51,003	180,434	120,000 <u>4/</u>	28,700 <u>5/</u>	177,400	108,958	70,099
1985	60,435	343,031 <u>6/</u>	403,466	--	40,078 <u>5/</u>	40,078	9,303	-240,704
1986	218,802	200,020 <u>7/</u>	418,822	19,020 <u>8/</u>	215,739 <u>5/</u>	234,759	19,350	-185,139

1987 9/

1/

Available unobligated balances of prior-year budget/obligational authority.

2/

\$100,000,000 in new current authority, and \$391 thousand in permanent authority from rotation receipts.

3/

\$57,600,000 in new current authority, and \$285 thousand in permanent authority from rotation receipts.

4/

New obligational authority limitation, not appropriation (full revolving fund).

5/

Includes prior-year obligation recoveries and unobligated balances available from prior appropriations/new obligational authority.

6/

Includes \$45,617,000 from disposals and \$297,414,000 from Naval Petroleum Reserves.

7/

Includes \$20,306,000 from disposals and \$179,714,000 from Naval Petroleum Reserves.

8/

New appropriations (reduced by sequester) for grants.

9/

Although the account was transferred to the Department of Defense on July 3, 1988, the Budget Appendix also adjusted FY 1987 for comparability.

OBLIGATIONS BY BUDGETARY ACTIVITIES
\$(Thousands)

<u>Year</u>	<u>Total</u>	<u>Purchase from Sale of Excess Commodities</u>	<u>Research Grants</u>	<u>Purchase from Sale of Rotation Commodities</u>
1981	\$ 78,000	\$ 78,000	--	--
1982	44,045	44,045	--	--
1983	145,015	144,606	--	409
1984	108,958	108,949	--	9
1985	9,303	9,303	--	--

1986	19,350	548	18,802	--
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OBLIGATIONS BY OBJECT CLASSIFICATION
\$(Thousands)

<u>Year</u>	<u>Total</u>	Transpor- tation (O.C. 22)	Other Services (O.C. 25)	Supplies/ Materials (O.C. 26)	Grants (O.C. 41)	Claims & Indemnities (O.C. 42)	Interest & Dividends (O.C. 43)
1981	\$ 78,000	\$ 7,800	--	\$ 70,200	--	\$ --	\$ --
1982	44,045	5,726	--	38,319	--	--	--
1983	145,015	27,623	--	117,392	--	--	--
1984	108,958	19,931	325	88,698	--	1	3
1985	9,303	--	246	9,028	--	29	--
1986	19,350	--	2	546	18,802	--	--